

# CAC CDBG FUNDING RECOMMENDATIONS FY 2005/06

## PUBLIC SERVICES

	Applicant	Program Description	2005-06 Staff Recommendations	2005-06 CAC Recommendations
1	Alum Rock Counseling Center	24/7 mobile crisis response and intervention counseling	\$5,000	\$5,000
2	Asian American Recovery Svcs	Substance Abuse Prevention - Youth/Families	\$5,000	\$5,000
3	Catholic Charities	Long Term Ombudsman Prgm.	\$5,000	\$5,000
4	Catholic Charities	Shared Housing/Single Parents	\$5,000	\$5,000
5	City of Milpitas-Recreation Svcs.	After School Stay & Play Program	\$5,000	\$5,700
6	City of Milpitas-Recreation Svcs.	Camp Stay and Play	\$5,000	\$5,000
7	City of Milpitas-Recreation Svcs.	Recreation Assistance Program	\$5,627	\$5,000
8	Emergency Housing Consortium	Emergency Housing for Homeless	\$5,000	\$5,000
9	Filipino American Opp. Developmnt	Educational, Counseling, Case Mgt Svcs for Filipinos	\$5,000	\$0
10	Filipino Youth Coalition	Prevention and Intervention services for youth	\$5,000	\$5,000
11	India Community Center	Community Services Center	\$5,000	\$5,000
12	Live Oak Adult Day Services	Recreation, Companionship & Meals for Disabled Seniors	\$5,000	\$5,000
13	Milpitas Food Pantry	Provide emergency food to very low income people.	\$15,000	\$14,927
14	Milpitas Unified School District	Special Education Services - Handicapped Teens	\$5,000	\$5,000
15	Next Door Solutions	Solutions to Domestic Violence	\$5,000	\$5,000
16	The O Foundation	Youth prev. & intervention svcs - athletic scholarship prog.	\$0	\$0
*** 17	Project Sentinel	Tenant/Landlord Dispute Resol. & Fair Housing Assist.	See Below	See Below
18	Santa Clara Family Health Found.	Healthy Kids Program	\$0	\$0
19	Second Harvest Food Bank	Self Help Food Asst. Prog. For Very Low Income Seniors	\$5,000	\$5,000
20	Senior Adults Legal Assistance	Free Legal Services for Seniors in SC County	\$5,000	\$5,000
21	Support Netwrk-Battered Women	Comprehensive Services for Battered Women	\$5,000	\$5,000
22	Vietnamese Voluntary Foundation	Citizenship for Seniors	\$0	\$5,000
TOTALS			\$100,627	100,627

\*\*\* (\$15,000 to Project Sentinel out of General CDBG Administration.)

03/22/05

# CAC CDBG FUNDING RECOMMENDATIONS FY 2005/06

## NON-PUBLIC SERVICES

	Applicant	Program Description	2005-06 Staff Recommendations	2005-06 CAC Recommendations
23	City of Milpitas Interim Sr Ctr	Food	\$30,000	\$30,000
24	Econ. & Social Opportunities	Hsng and Energy Services for Low & Very Low Income Res.	\$60,000	\$60,000
25	EHC - Our House	Rehab & Const Expansion - Our House - Emerg Shelter	\$25,000	\$25,000
26	Milpitas Hsng Rehab Loan Prog	Hsng Rehab Assist for Low & Very Low Income Residents	\$321,055	\$321,055
27	Milpitas Parents Preschool	Playground Renovation	\$0	0
28	Teen Nightclub	Teen Parents	\$0	0
TOTALS			\$436,055	\$436,055

3/22/2005

CITY OF MILPITAS  
COMMUNITY ADVISORY COMMISSION  
MILPITAS CITY HALL COMMITTEE MEETING ROOM  
UNAPPROVED MINUTES  
March 2, 2005

**I.  
Call to Order  
and Roll Call**

Chair Ranker called the meeting to order at 6:30 p.m. Present were Commissioners Mohsin, Lloreta and Luna  
Alternates present were Commissioners Lind, Fang and Queenan  
Absent: Commissioners Cook and Pham  
Late: Commissioner Abelardo and Lee

**II.  
Seating of  
Alternates**

Alternate seated: Lind, Fang and Queenan

**III.  
Pledge of  
Allegiance**

Chair Ranker led the Pledge of Allegiance.

**IV.  
Approval of  
Agenda**

Commissioner Lind suggested that the 50<sup>th</sup> Anniversary status report be removed as a standing item from the agenda.  
MOTION to approve the Agenda as submitted.

M/S: Lind, Luna

Ayes: 7

**V.  
Approval of  
Minutes**

MOTION to approve the minutes of February 2, 2005 with the correction as stated: Commissioner Lind noted on page 3, 1<sup>st</sup> sentence, take out the word is and Under Subcommittee/Task Force Status Reports on page 4 under 50<sup>th</sup> Year Anniversary, changed the sentence to read: Commissioner Mohsin thanked Councilmember Polanski for all her hard work on this item.

M/S: Lind, Luna

Ayes: 7

MOTION to approve the minutes of February 2, 2005

M/S: Mohsin/Luna

Ayes: 7

**VI.  
Announcements**

Commissioner Lind noted that on the Directory of Local Officials, her alternative appointment date should be changed to January 2004.

Chair Ranker noted that his e-mail address should be changed to c.ranker@comcast.net.

Senior Planner Dennis Carrington asked the Commissioners to turn in their Forms 700. Mr. Carrington also passed around a draft non-denominational invocation survey and asked the Commissioners to give him their input on the format.

**VII.**  
**Citizens' Forum**

Chair Ranker invited members of the audience to address the Commission on any item not on the agenda. There were no requests.

**VIII.**  
**Liaison Reports**

**a. City Council**

Councilmember Polanski announced that Commissioner Giordano asked why the non-denominational invocation survey was not on tonight's agenda and Councilmember Polanski informed that it was CDBG night. She stated that seven items on Council agenda were postponed to the March 15<sup>th</sup> meeting because the Council has a policy to finish meetings by 11 p.m, however, the Council on a 3-2 vote did authorize the City Council subcommittee to make recommendations to the Mayor relative to commission appointments. She felt it was against state statute, however, the city attorney disagrees. Also, on a 3-2 vote, the second reading of the open government ordinance will take place on March 15<sup>th</sup> and will be in effect 30 days after. She agreed the ordinance had a lot of good things but the City council members serving as volunteers as either police reservists or senior volunteers program was eliminated with the vote last night and the lobbyist section wasn't as strong as what the CAC recommended. The Council reviewed the Transit Subarea plan and that will go forward at the March 23<sup>rd</sup> Planning Commission meeting and will go to Council in April coming. Also, Councilmember Giordano had questioned the applicability of the Brown Act at the Terrace Gardens association Board of Directors meeting. There was a legal opinion from the City Attorney and a 3-2 vote, the Council determined that Terrace Gardens had been violating the Brown Act and fired all of the board directors. Also, the Gateway Sign Pilot project was approved and three items were postponed to the next meeting.

**IX.**  
**New Business**

**a. Ethics Project Update**

Staff noted that Dr. Shanks added an executive summary, table of contents and made clarifications to his recommendations for the final report. Staff summarized Dr. Shank's recommendations and asked that the CAC recommend approval of the final report with the changes.

Dr. Shank's recommendations are as follows:

1. Extend the time the Council spends sharing its decision reasoning with citizens, utilizing the pocket card.
2. Hold an additional training session for the Commissioners who did not attend one of the training sessions and gain signatures from 100% of the Council, Commissioners and senior staff who have not signed the Code of Ethics.
3. Take advantage of the Ethics Consultant's pro bono offer to design and/or facilitate the next two Council meeting moments of reflection.
4. Direct the City Attorney to add language to the new Open Government Ordinance to strengthen the lobbyist section.
5. Establish a permanent oversight committee to guide the Ethics Program. The committee should be comprised of six Community Advisory Commission members and three staff members -- the Director of Planning and Neighborhood Services, the Human Resources Director and the Information Technology Director. Further, the Program should be resumed this current year.
6. Give the Lead Ethics Evaluator staff support, besides the current assistance from the City Clerk, such as from the Assistant City Attorney, to attend the ethics hearings and assemble non-partisan background pieces and statements of fact. Empower and remunerate the Lead Evaluator to work with parties involved in a complaint to see if a fair resolution can be reached without having to conduct a hearing.

7. Adopt the *Ethics Project Final Report* and activities recommended for 2005 and 2006 related to the three goals presented to the Council last summer.

Staff clarified that the Steering Committee reviewed the report and asked that specific members not be mentioned. They were also concerned about the cost estimates on page 27 for the year 2005-2006 and felt that \$15,000 dollars would not be enough for that goal. Staff asked that the CAC approve the report with the five pages and make a recommendation that future Steering Committee members be appointed by the City Manager.

Mayor Jose Esteves thanked everyone for supporting the CAC and asked the members to look closely at the recommendations and make sure it happens because ethics should not go away.

MOTION to approve the *Ethics Final Report*.

M/S: Lind, Lloreta

Ayes: 9

**a. Review of Community Development Block Grant (CDBG) Program Applications for FY 2005-06.**

Senior Housing and Neighborhood Preservation Specialist Gloria Anaya outlined the Community Development Block Grant (CDBG) Program, explaining that the City received a total of 28 applications for funding. The City of Milpitas expects to receive \$670,852 (\$40,148 less than current FY) of CDBG funds for FY 2005-06 from the Department of Housing and Urban Development (HUD).

Per Federal regulations, a maximum of 15% of the grant or \$100,627 is available to fund the Public Services category. 20% of the grant or \$134,170 is set-aside for General Program Administration. The remaining 65% or \$436,055 is available to fund the Non-Public Services. The application booklets distributed to the CAC early this month included staff's funding recommendations, copies are available for the audience. Included in the Commission's agenda packet is a schedule of presentations. All applicants have been informed of tonight's public hearing and have been encouraged to attend.

Ms. Anaya explained that each applicant would be allowed three minutes for presentations, and two minutes for questions from the Commission; after the public hearing was closed, the Commissioners would be asked to allocate the available funds via the ballot process; and a recess is taken while staff enters each Commissioner's ballot allocation into a spreadsheet which would be totaled and averaged for final discussion and recommendation. The minimum funding level that was established by the CAC and City Council is \$5,000. Ms. Anaya asked that ballot allocations be at \$5,000 or above. Therefore, any of the programs that average less than \$5,000 would need to be redistributed to other organizations. Ms. Anaya asked the Commission to make sure that the total funding amounts do not exceed the available funding for each category.

The recording secretary asked each Commissioner individually if they were currently receiving compensation from any of the application agencies and was informed by each and every Commissioner that they were not receiving compensation from any of the applicant agencies however Vice Chair Mohsin abstained because his wife works for the Milpitas Parents School.

MOTION to open the public hearing.

M/S: Ranker, Lind

Ayes: 9

A representative from each of the applicant agencies present, except the Filipino American Opportunity Development, The O Foundation, the Santa Clara Family Health Foundation and Milpitas Parents Preschool, addressed the Commission with an outline of their agency's functions and how allocated funds would be utilized.

MOTION to close the public hearing.

M/S: Lind, Abelardo

Ayes: 9

Staff entered each Commissioner's ballot figures into the spreadsheet and presented the results to the Commission for discussion.

MOTION to zero out the Filipino American Opportunity Development, the O Foundation, Santa Clara Family Health Foundation, Milpitas Parents Preschool, and the teen nightclub and distribute the dollars to the other agencies to make it more effective for the program.

M/S: Linda, Abelardo

Ayes: 9

MOTION to allocate Public Service CDBG funds as follows and forward to City Council for funding:

Alum Rock Counseling Center	\$5,000
Asian American	\$5,000
Long Term Ombudsman Program	\$5,000
Catholic Charities	\$5,000
Milpitas Rec. Svcs – Afterschool Stay and Play	\$5,700
Milpitas Rec. Svcs – Camp Stay and Play	\$5,000
Milpitas Rec. Svcs – Assist. Program	\$5,000
Emergency Housing Consortium	\$5,000
Filipino Youth Coalition	\$5,000
India Community Center	\$5,000
Live Oak Adult Day Care	\$5,000
Milpitas Food Pantry	\$14,927
Milpitas Unified School District	\$5,000
Next Door Solutions	\$5,000
Project Sentinel	*See Below
Second Harvest Food Bank	\$5,000
Senior Adults Legal Assistance	\$5,000
Support Network for Battered Women	\$5,000
Vietnamese Voluntary Foundation	\$5,000

**Total Public Service: \$100,627**

**\*15,000 coming from General Administration**

M/S: Lind, Abelardo

Ayes: 9

MOTION to allocate Non-Public Service CDBG funds as follows and forward to City Council for funding:

City of Milpitas – Interim Senior Center	\$30,000
Economic and Social Opportunities	\$60,000
EHC – Our House	\$25,000
Milpitas Housing Rehabilitation	\$321,055

**Total Non-Public Service: \$436,055**

M/S: Lind, Abelardo

Ayes: 9

**b. Subcommittee/Task Force Status Reports**

Due to the CDBG funding, these items would be discussed at a future meeting.

X.

Adjournment

Chair Iloreeta adjourned the meeting at 11:00 p.m. to the April 6, 2005 meeting.

Respectfully submitted,

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Veronica Rodriguez, Recording Secretary

# **City of Milpitas**

## **Draft Action Plan FY 2005 – 2006**



**COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)**



**City of Milpitas**  
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## City of Milpitas

### Community Development Block Grant (CDBG) Annual Action Plan (FISCAL YEAR 2005-2006)

Pursuant to the Department of Housing and Urban Development (HUD) funding requirements and in conformance with 24 CFR Part 91-Consolidated Submission for Community Planning and Development Programs, City of Milpitas has prepared and will be adopting its 2005-2006 Action Plan. The Action Plan is submitted annually and describes the eligible programs, projects and activities to be undertaken with funds that are expected to be made available during the Fiscal Year 2005-2006 and their relationship to the City's priorities for housing, homelessness and community development needs.

In June of 2002, the City of Milpitas submitted its Five-Year Consolidated Plan (2002-2007) to HUD. The Consolidated Plan identifies the long-term goals and objectives achieved and consistent with the annual Action Plan Report. Included with the submission of the Action Plan is the Standard Form 424, Proposed Projects and Certifications as required by the Community Development Block Grant (CDBG) Program regulations. The goals and objectives identified in the Milpitas Action Plan are in full compliance with the approved and adopted policies and procedures outlined in the Milpitas CDBG Citizen Participation Plan.

#### Response and Comments on the Milpitas Draft Action Plan

Any comments on the City of Milpitas Draft Action Plan should be sent to the following address before April 4, 2005 (all mail must be postmarked by this date):

Felix J. Reliford, Principal Housing Planner  
City of Milpitas-Planning and Neighborhood Services  
455 E. Calaveras Blvd.  
Milpitas, CA 95035  
E-mail address: [freliford@ci.milpitas.ca.gov](mailto:freliford@ci.milpitas.ca.gov)  
(408) 586-3071

#### Part I: Resources

Milpitas will continue to pursue and encourage local non-profit housing and support service agencies to pursue all available public and private funding to achieve the Consolidated Plan goals. It is expected that funding from a combination of federal, state, and local sources will be used to pursue the majority of the identified public services and housing strategies. Milpitas will also encourage non-profit entities to work with financial institutions and develop plans for leveraging private and public funds to the maximum extent possible considering the specific project involved. Funding resources will be coordinated and leveraged whenever possible to maximize their potential.

Before awarding funds for projects to be carried out by other entities, Milpitas will review the project-financing plan to ensure that all agencies are utilizing all available funding and are leveraging funds to the maximum extent possible. Milpitas will not adhere to any specific matching requirements for use of the City CDBG funds. Milpitas will continue to require organizations to make the maximum effort to match City's funds through other public and private sources on a minimum one to one ratio (whenever possible).

Where this matching standard is not achieved, the non-profit organization will be required to provide a detailed listing of the resources pursued and the reasons and rationale for the lack of matching funds. Milpitas CDBG funds will only be awarded for a project, if Milpitas determines the non-profit entity pursued all available resources for the project and due to the nature of the project, the matching standard could not be achieved.

The following sections identify some of the major resources to be pursued by Milpitas, local non-profits, County of Santa Clara and other eligible exhaustive. Milpitas will continue to encourage local non-profit agencies to pursue all available funding resources, which may be applicable to their particular project. Milpitas will also continue to monitor these programs, projects and activities to promote its housing and community development goals and objectives through active policy development and use of available federal and non-federal funding sources.

### Federal Programs

#### Community Development Block Grant (CDBG) Funds

The largest funding source to provide a variety of support services and housing for low and moderate-income households in Milpitas. City of Milpitas receives its own grant through the CDBG program. It is estimated that Milpitas' 2005-2006 CDBG allocation will be \$670,852. Milpitas will also receive approximately \$50,000 in Program Income from the Single Family Housing Rehabilitation Loan Program. The loans from the rehabilitation program serve as a revolving loan fund that will go back into the program. The total estimated CDBG funding for FY 2005-2006 would be approximately \$720,852.

#### HOME Program

Milpitas may be seeking other financial resources to assist in financing affordable housing projects. This process may include negotiating with housing developers and applying for matching HOME Program funds. Because Milpitas' has never received a direct allocation of HOME funds from HUD, funding will be requested from the State of California under its competitive HOME Investment Program. Milpitas staff has attended several HOME Program seminars and workshops to become familiar with the regulations and requirements of the program. Milpitas will consider applying for the \$1 million (rental construction) grant for the proposed Senior Housing Project (or other affordable housing projects) with matching redevelopment funds. The required matching funds have been allocated per the program requirement.

### Section 8 Rental Assistance Program

This program provides rental assistance payments to private owners who lease their units to assist low-moderate income families. Milpitas will continue to support and encourage the Santa Clara County Housing Authority (SCCHA) efforts to obtain Section 8 vouchers for residents of Milpitas. Milpitas is negotiating with affordable housing developers to obtain their participation in accepting Section 8 vouchers in future affordable housing projects. Currently, a total of 648 Milpitas families have Section 8 vouchers. Another 96 families are on the Housing Authority waiting list.

### Section 220 and 221 (Low Income Housing Preservation and Resident Homeownership Act of 1990 -LIHPRHA)

Milpitas has worked with the property owner, Santa Clara County Housing Authority and HUD to maintain long-term affordability for the 171 units at Sunnyhills Apartments. Under the current agreement, the units will remain affordable until October 2011.

### Low Income Housing Tax Credit Program (LIHTC)

Milpitas will continue to explore financing affordable housing projects with Low Income Housing Tax Credits (LIHTC). Milpitas will work with local housing developers to seek additional funding to close any financing gap for affordable housing projects. Milpitas will also work with local housing developers on pursuing and obtaining 9% and 4 % LIHTC to finance future affordable housing projects. Milpitas will also continue to assist several of the affordable housing developers applying for low-income housing tax credit to financial assist their projects.

### State Programs

#### Proposition No. 46

In November 2002, the voters of the State of California approved Proposition No. 46-a \$2.1 billion housing bond allocation for funding (grants, loans, etc.) for various types of affordable housing projects. The City of Milpitas will be applying for several types of funding for multifamily housing programs, Self Help Housing Fund, Housing Rehabilitation Loan Fund (Code Enforcement), and CA Homebuyers Down Payment Assistance Program. Funding will be used for new construction, acquisition of land, rehabilitation, and down payment assistance to lower income households.

Most of the State funding requires that each city or county has its General Plan Housing Element, approved and certified (in full compliance with state housing laws) with the State of California-Department of Housing and Community and Development (HCD). The City of Milpitas Housing Element was approved and certified by HCD in December 2002.

### California Housing Finance Agency (CHFA)

Milpitas will continue to explore a series of affordable housing programs offered by the California Housing Finance Agency. This agency was created in 1975 to help meet the State's need to provide affordable housing to low and moderate-income persons and families. CHFA provides below-market interest rate mortgage capital through the sale of tax-exempt notes and bonds. This agency provides below market rate financing for single family and multi-family housing as well as multi-family rehabilitation loans. CHFA has also recently offered funding through their Help Program.

### State Allocated Tax Credits- (Low Income Housing Tax Credit)

Milpitas will work with and assist developers in applying to the State for allocation of tax credits to finance low-income rental housing developments. The tax credits are syndicated to corporations in exchange for project equity.

### Mortgage Revenue Bonds

Milpitas can apply to the state for authority to issue tax-exempt mortgage revenue bonds for the purpose of funding affordable housing development. Milpitas has authorized tax-exempt mortgage revenue bonds to assist the developer at the proposed Milpitas Senior Housing Project to provide 103 extremely and very low-income housing units.

### Mortgage Credit Certificates (MCC's)

Milpitas has participated with the County of Santa Clara in its application to the state for an allocation of Mortgage Credit Certificates, which provide a tax credit to subsidize the mortgage interest rate for qualified first-time homebuyers. However, the overall number of MCC's in Santa Clara County has been substantially reduced over the past several years.

### Local Programs

#### Redevelopment Agency

The Milpitas Redevelopment Agency (RDA) has allocated approximately \$36 million the past several years to acquire, construct, and develop affordable housing within the City of Milpitas. To date, Milpitas' Redevelopment Agency has assisted in financing 1,013 affordable housing units.

- |                                       |                         |               |
|---------------------------------------|-------------------------|---------------|
| • The Crossing Apartments at Montague | 94 rental units         | \$2 million   |
| • Parc Metropolitan                   | 28 for-sale units       | \$1.5 million |
| • Parc Metropolitan                   | 68 rental units         | \$1 million   |
| • Summerfield Homes                   | 22 for-sale units       | \$3 million   |
| • Montevista Apartments               | 306 rentals units       | \$3 million   |
| • Terrace Garden                      | 150 rental senior units | \$16 million  |

The following residential projects have been approved by the City of Milpitas (but not constructed by the developers) and will include affordable housing units:

Approved Projects (Not Constructed):

• Apton Plaza	19 rental units	\$1.2 million
• Parc North (**)	58 for-sale units	\$3.7 million
• Edsel Court	4 existing rental units	\$200,000
• Town Center	20 units (16 for-sale/4 rental rehab)	\$1 million
• KB Homes	208 units (for-sale/rental*)	\$4.2 million

(\*) Including 103-unit rental Senior Apartment Complex to extremely and very low-income seniors. Note: Milpitas Redevelopment Agency will provide approximately \$8.5 million of financial assistance for this project.

(\*\*) Construction has started for this project in September 2004.

The Milpitas Redevelopment Agency will provide the following down payment assistance:

-Parc North	\$98,000/\$50,000 (very low and low-income)
-Town Center	\$50,000 (moderate-income and rehabilitation of 4 off-site units)
-KB Homes	\$50,000 (moderate-income)
-Apton Plaza	\$42,000 (very low-income)

City of Milpitas has been working with Fairfield Development Corporation on a 480-unit rental multi-family project, which is anticipated to have approximately 96 affordable units to low and moderate-income households. This proposed project would be located within the Transit Overlay District. To date, this project has not been approved by Milpitas.

Also, The California Towers project has currently been submitted to staff for review. This proposed project will include a 10 and 12-story residential towers with approximately 181 condominium units with 20% (36 units) being affordable to low and moderate income households. To date, this project has not been approved by Milpitas.

Housing Rehabilitation Loan Program

This program funded from CDBG funds provides low interest rate loans and grants to low and moderate-income property owners through the Milpitas Housing and Rehabilitation Loan Program. The Housing Rehabilitation Loan Program provides up to 90% of the home equity value/per household for home improvements and repairs. Annual program income (revolving loan funds) goes back into the program to assist future low and moderate-income property owners.

### Santa Clara County Housing Trust Fund

City of Milpitas has participated and financially supported the Santa Clara County Housing Trust Fund to raise \$20 million to construct a variety of affordable housing types for: 1) first-time homebuyers, 2) multi-family rental apartments and 3) housing and support services for the homeless population. Milpitas has allocated \$500,000 towards the Housing Trust Fund. The goal of the Housing Trust Fund is raise \$20 million and leverage these funds into \$200 million to provide:

- 800 units for First-time Homebuyer
- 3,000 Multi-Family Units
- 1,000 units for the Homeless

To date, a total twenty-five (25) Milpitas First-time Homebuyer residents have received low-interest rate loans from the Housing Trust Fund of Santa Clara County. City of Milpitas is currently negotiating with the Santa Clara County Housing Trust Fund and Mid-Peninsula Housing Coalition (developer of the Milpitas Senior Housing Project) to obtain funding for the senior housing project.

### Second Mortgage Program

Milpitas has adopted a Second Mortgage Program to assist first-time homebuyers with their down payments on the several affordable housing projects including Apton Plaza, KB Homes, Town Center, and Parc North. Approximately, \$9.6 million will be allocated from the City of Milpitas Redevelopment Agency 20% Low and Moderate Housing Set-Aside Fund to assist first time homebuyers with the down payment. The City of Milpitas is also negotiating with several other developers to increase the general affordable housing stock citywide. Future housing projects will include for-sale units for all income levels and additional senior affordable housing projects.

### Affordable Housing for MUSD Teachers

Milpitas has worked with Milpitas Unified School District (MUSD) to provide affordable housing units for qualified schoolteachers. A certain percentage of the affordable housing units in selected projects (rental and for-sale) will be allocated for Milpitas Unified School District teachers.

### Wavier of Development Fees for Affordable Housing Projects

Milpitas has continued to waive or subsidize a portion of development impact fees to support and encourage developers to provide affordable housing. To date, approximately \$5 million of development fees have been waived by the Milpitas City Council to increase the supply of affordable housing throughout the community. The Milpitas Redevelopment Agency has paid the waiver of developer impact fees.

### Milpitas Mobilehome Park Rent Control Ordinance

Milpitas has 572-mobilehome park units located in four separate parks throughout the city. Since 1992, Milpitas has adopted a Mobilehome Park Rent Control Ordinance, which maintains affordable rents for resident tenants. The Rent Control Ordinance serves as a means to provide affordable housing units. Approximately 70% of the mobilehome park tenants are senior citizens.

### Private Resources

#### Private Lending Institutions

Milpitas will continue to encourage private lending institutions to become involved in assisting in the development of low and moderate-income housing. The Community Reinvestment Act (CRA) encourage and assists the institutions they regulate to assist affordable housing projects. Milpitas has negotiated a Disposition Development Agreement (DDA) with KB Homes was part of their affordable housing obligation to provide \$5 million towards the development of the 103-unit Senior Housing Project. Mid-Peninsula Housing Coalition will be seeking funding allocation from CalHFA and Tax Credit Investors to assist in financing the project.

The remaining affordable housing projects stated above will be using private resources and other types of conventional lending to assist financially with their projects

### Geographic Distribution

All of the proposed activities for fiscal year 2005-2006 will be implemented Citywide and will not be targeted to any particular areas of the City. However, minority groups will benefit from CDBG resources from particular programs, services, and housing activities as needed. The specific geographic areas in which Milpitas will provide direct assistance with CDBG funds during the 2005-2006 fiscal year contains high concentrations of minority population including Asians, Hispanics and Blacks.

The rationale for targeting these minority groups for allocating CDBG funds are based on financial, social, and economic needs of several working class neighborhoods. These neighborhoods such as Sunnyhills, Selwyn, Shirley and Dempsey Road, Temple and Calaveras Blvd. have high concentrations of minority populations. They have and will continue to benefit from the allocation of CDBG funds through the Housing Rehabilitation Loan Program, City of Milpitas Recreation Department Stay and Play and Camp After School Programs, Live Oak Adult Day Services, Milpitas Food Pantry, India Community Center, Next Door Solutions, Filipino American Opportunity Development and Project Sentinel.

The City of Milpitas provided CDBG funding to purchase modulars, renovations; and site improvements at the interim Milpitas Senior Center, while Milpitas prepares plan to construct a



new Senior Center. Additional funding in FY 2005-2006 is proposed to include food services equipment for the Senior Nutrition Program and wireless listening assisted devices for senior programs.

According to the 2000 Census, Milpitas Minority Population consisted of the following:

<u>Ethnic Groups</u>	<u>Total Population</u>	<u>% of Total Population</u>
Black or African American	2,295	3.7
American Indian/Alaska Native	338	0.6
Asian	32,482	51.8
Native Hawaiian/Pacific Islander	393	0.6
Hispanic or Latino (of any race)	10,417	16.6
(White-Non Minority Population)	19,353	30.9

According to the State of California, Department of Finance, City of Milpitas population for 2004 was 64,700. This presents a decrease from 64,600 (-0.2%) in 2004.

#### Leveraging Plan

For all CDBG programs and activities funded by the Milpitas will support applications by other entities for public and private sources of funding. In the case of matching requirements for a funding source, Milpitas will utilize its CDBG funding and other local funds as available and appropriate. To maximize leveraging of its own funds and increase the funds available for housing, Milpitas plans to continue the following activities:

- Support the purchase, rehabilitation and construction of affordable units by non-profit and for-profit housing developers and to provide financial assistance whenever possible.
- Provide support and encourage non-profit, community based housing developers and service providers to low and moderate-income person(s) and households.
- Promote private sector rehabilitation with the CDBG Housing Rehabilitation Program.
- Promote joint development with other governmental or quasi-governmental agencies to implement community development programs.

Milpitas has also participated in joint projects such as the Countywide Fair Housing Report, Santa Clara County Housing Trust Fund and Emergency Housing Consortium Shelter, Homeless Runaway Youth Housing and Countywide Fair Housing Task Force projects. City of Milpitas will also participate in the Santa Clara County "Affordable Housing Fair 2005" held on April 2, 2005,

sponsored by the Santa Clara County Association of Realtors (see attachment). These are just a few examples of how the City of Milpitas has leveraged its funds to address housing needs and other support services.

## Part II: Activities to be Undertaken

Milpitas has participated in the Community Development Block Grant Program for the past twenty-seven years, and is completing its eighth-year as an entitlement city. Increased funding as an entitlement city has allowed Milpitas to expand or consider creating programs, which will further enhance the quality of life for its citizens.

It is anticipated that Milpitas will receive \$670,852 from HUD upon the acceptance of this Action Plan and the accompanying certificates for FY 2005-06. Furthermore, it is anticipated that Milpitas will receive approximately \$50,000 program income from regular scheduled payments made on past housing rehabilitation loans. The total estimated CDBG funding for FY 2005-2006 would be approximately \$720,852.

### Homeless and Other Special Needs Activities

For fiscal year 2005-2006, Milpitas has committed a portion of its Community Development Block Grant Program funds to non-profit agencies providing services to the homeless, those at-risk of being homeless and homeless households with children or other special needs. A narrative is provided below of the activities that are aimed at assisting the City's homeless population.

To address emergency shelter and transitional housing needs of homeless individuals and homeless families, Milpitas will continue to:

- Continue to support the Emergency Housing Consortium, which will be constructing-Shelter for Homeless and Runaway Youths. **The project consists of Phase II completion of the construction of the "Our House Youth Program" to serve as an emergency shelter, drop-in center and transitional housing for 400 homeless, runaway and throwaway youths in Santa Clara County.** The City of Milpitas provided CDBG funding for Phase I of this project approximately 2 years ago.
- Provide CDBG funds to the Emergency Housing Consortium (EHC) for providing temporary shelter to **4,500 nights of supportive shelter to 55 unduplicated homeless Milpitas residents.** Milpitas has also provided CDBG funding to EHC for the past 17 years, including the development of a 50-unit shelter (224 beds) for the homeless, former homeless and at risk low-income families.
- Support the operation of the local rotating shelter program operated by Emergency Housing Consortium, which provides shelter for homeless Milpitas residents.

- Live Oak Adult Day Services, which provides adult day care for 8 frail, dependent at-risk senior residents in Milpitas day care facilities. Caregiver respite and support services includes, case management, counseling and referrals and socialization opportunities.
  - Monitor the risk of the Sunnyhills Apartment Complex being converted to fair market rate units. Milpitas will also work with the property owners, local non-profits, Santa Clara County Housing Authority, and HUD to maintain the complex as affordable shared housing and thus prevents the displacement of the existing residents.
  - Fund Catholic Charities Housing Programs, which provides **14 individuals/7 households** housing services to assist very low and low-income persons and households, find affordable housing. Approximately 80% of the shared housing for Catholic Charities is female-headed households.
  - Fund Project Sentinel, which operates a tenant/landlord mediation program, which will help resolve over **295** tenant/landlord, disputes and prevents unnecessary evictions of tenants and **15 to 20** fair housing complaints and investigations. This program also provides tenants with information and referral services on tenant/landlord issues.
- In order to help homeless persons, including those with special needs, to make the transition to permanent housing and independent living, the following activities will be carried out:

Milpitas will continue to fund the operation of a variety of support services. These services help individuals with basic necessities until they are able to provide for all of their needs on their own. They include the Second Harvest Food Bank, Milpitas Food Pantry (which provides food to over 340 households in Milpitas), Milpitas Senior Nutrition Program and Alum Rock Counseling Center-Crisis Intervention Program. These services include providing free bags of food to low-income households, counseling, and information and referral assistance to help individuals find services most suited to their particular needs.

### **County of Santa Clara Homelessness Task Force**

Milpitas is also participating in the **County of Santa Clara Task Force to End Homelessness in 10-Years**. The Homeless Task Force was established by Santa Clara County Board of Supervisors, which consists of elected officials, County Departments (Mental Health, Social Services, Alcohol and Drugs, Corrections, Sheriff, and Office of Affordable Housing-including County Homeless Coordinator), Homeless Advocates, Community and Business Leaders, and Funders.

The goals of the Homeless Task Force will be to come up with a comprehensive strategy to address the homeless problem in Santa Clara County over the next 10 years. The consulting firm of Home Base (San Francisco) has been hired to assist the Task Force. Home Base has started to conduct initial surveys of the homeless population within the county. Homeless individuals were employed to help with the count as well with the survey and people were paid \$5 for completing the survey.

The County has also started several initiatives including the launching of a County Homeless Management Information System, which allows for a single shared database of homeless services, as well as the allocation of more than \$10 million to 14 new affordable housing projects.

### Activities to Assist Non-Homeless Persons with Special Needs

#### Senior Citizens

- Senior Adults Legal Assistance program provides free civil legal services to 38 senior citizens within Milpitas.
- Economic and Social Opportunities (ESO) provides housing services to 38 seniors to reduce health and safety hazards enhance accessibility for disabled persons and improves home energy efficiency within Milpitas.
- Through the funding of Catholic Charities-Independent Living Senior Services Program, 64 seniors will be provided services specific to their needs in order to assist them to remain independent in their homes for as long as possible.
- Milpitas Senior Center provides limited transportation, nutrition program, and a variety of recreational activities for senior citizens.
- Phase II of the Milpitas Senior Center renovations and site improvements will include the replacement of the roof, seismic upgrades to the ceiling and lighting and HVAC improvements to provide a safe and comfortable environment for Milpitas seniors.

#### Female Headed Households and Victims of Domestic Violence

- Next Door Solution provides shelter for up to 30 days for battered women and their children who are in immediate danger and have no where else to turn. A total of 129 Milpitas residents are anticipated to benefit from these services.
- Support Network for Battered Women provides 24-hour comprehensive services to battered women and their children. A total of 15 Milpitas residents are anticipated to benefit from these services.

#### Youths

- City of Milpitas Stay & Play After School Program provides assistance to 26 very low low-income families to participate in a variety of educational and recreational programs in Milpitas.
- City of Milpitas Camp Stay & Play Program provides assistance to 20 very low and low-income families to attend summer recreational camp during non-school months.

- City of Milpitas Recreation Assistance Program will provide subsidies to low income youths and seniors to participate in Milpitas recreational programs, services and activities. A total of 360 low-income youths and seniors/XX households will benefit from these services.
- Asian Recovery Center provides substance abuse prevention, intervention and treatment, case management, to 115 individual and group counseling, and also social/recreational activities to Asian and Pacific Islander youths in Milpitas.
- Milpitas Unified School District (MUSD)-Milpitas High School's Certificate of Completion Program (CCP) are student who severe developmental delays/handicaps prevent them from meeting the Special Day Class core curriculum bench narks for a high school diploma. The program assists students with severe disabilities to acquire and generalize individual functional skills that are deemed important by significant individuals in student's life: parents, siblings, school professionals, care-providers, non-school professional and students. **Nine (9) Milpitas High School disabled students will participate in this program.**

#### Other Actions

The most significant obstacle to addressing the undeserved needs for fiscal year 2005-2006 is the lack of sufficient federal, state, and local funds to carry out all the necessary programs, activities and projects.

#### Remove Barriers to Affordable Housing

For fiscal year 2005-2006, Milpitas will continue to work with agencies involved in carrying out affordable housing projects. Milpitas will support and assist through neighborhood and tenant community meetings, flyers, cable TV, and City's website to inform the public about the proposed housing projects and support housing services.

Milpitas will continue to provide CDBG funds to Project Sentinel who provides information and dispute resolution services to Milpitas tenants, mobilehome owners and landlords. Milpitas will continue to monitor its long-term restriction agreements for affordable housing compliance.

Milpitas will continue to implement its Mobilehome Rent Control Ordinance (1992), which limits the increase in rents that can be charged to tenants. Approximately 70% of tenants in the mobilehome parks are senior citizens.

Milpitas will continue to review it permit-processing procedures to assist in expediting the review and approval of all affordable housing developments. Milpitas has addressed governmental constraints to housing within its updated Housing Element. Milpitas has adopted its General Plan Housing Element, which establishes the five-year housing goals, policies and objectives, and the Midtown Specific Plan, which will assist in developing approximately 5,000 mixed types of

housing units to meet the ABAG Regional Fair Share Allocation. Appropriate densities (up to 60 dwelling units/per acre with ¼ mile of Transit Overlay Districts and 40 to 20 dwelling units per acre in other areas- minimum densities permitted), are including to provide multi-family housing for large and extended family households.

Currently, Fairfield Apartments a 480+ unit complex in which 96 units are anticipated to be affordable will be located within the Transit Overlay District Area. Also, city staff has meet with other developers regarding future high-density residential development projects within this area.

Also, in December 2002, the Milpitas General Plan Housing Element has been reviewed by the State of California, Department of Housing and Community Development (HCD) and found to be in full compliance with the State Housing Laws. The Housing Element is a comprehensive long-term plan to address the housing needs of Milpitas. The document identifies and analyzes the existing, and projected housing needs of the City and states goals, policies, quantified objectives and implementation programs for the preservation, improvement and development of housing.

### **Analysis of Impediments to Fair Housing Report (AI Report)**

In July 2004, City of Milpitas updated its existing Analysis of Impediments to Fair Housing Report. Milpitas is currently addressing those issues of impediments to fair housing choices that have been identified in the report. The updated Analysis of Impediments to Fair Housing Report examines policies, and practices, limiting a resident's ability to choose their housing in an environment free from discrimination. The AI report identified a series of recommendations that the City has implemented to reduce discrimination in housing. These recommendations include:

1. **Demographics**-Continue to increase the distribution of fair housing pamphlets and brochures in multiple languages.
2. **Housing Stock**-Continue to carry out plans for high-density development in the Midtown Specific Plan Area. Continue to the use of the density bonuses and monitoring the conditions of the City's housing stock.
3. **Land Use and Zoning**
  - a. Maintain awareness of HUD policy and update code if necessary for group homes.
  - b. Continue to monitor the State regulations for group's homes of 7 to 12 persons.
4. **Public Policies and Housing Affordability**-Continue to implement the affordable housing policies outlined in the Milpitas Midtown Specific, HUD's 5 Year Consolidated Plan and the General Plan Housing Element which encourages and support affordable housing.
5. **Advertising**-Continue to regularly monitor the Milpitas Post and San Jose Mercury News for discriminatory real estate advertisements.
6. **Cases of Housing Discrimination**-Increase outreach efforts to all segments of the population and targeting the City's Asian community.
7. **Awareness of Local Fair Housing Services**-Increase the amount of outreach made to housing legal and social services agencies, develop systematic plan to follow up with agencies upon completion of outreach programs, update the City's website to include

information about Fair Housing Law, fair housing services and provide links to websites of agencies that investigate fair housing discrimination (i.e. Project Sentinel).

The City of Milpitas will take the following actions to address the recommendations in the AI Report:

1. **Demographics**-Milpitas will continue to embrace the cultural diversity of its residents. Milpitas Senior Center offers a variety of different recreational services to senior citizens, which include ethnic celebrations for various cultures, arts and crafts, and special lunches. Previously, Milpitas conducted a community meeting on the Senior Needs Assessment Study. The meeting was conducted in three different languages (Chinese, Vietnamese, and Filipino) at the Milpitas Senior Center for the benefit of the participants. Milpitas Recreation Division holds several ethnic celebrations and festivals (i.e. Global Village Festival) throughout the year to embrace ethnic diversity in the community.

Milpitas offers Thai Chi Chih (reduce stress relaxation exercises), and Shiatsu Massage classes. Milpitas also translates many flyers, brochures, and other forms of outreach and advertising (including fair housing programs and services) in several languages. Milpitas funds a variety of agencies that provides services to different cultural groups such as Asian American Recovery Services, Filipino American Opportunities Development, and Indo American Community Service Center.

As stated above, Milpitas is an ethnically diverse community; with many of its residents foreign born, so English is not their native language. The City will continue to fund and encourage these types of programs and activities among different cultural groups. Milpitas will continue to work with Project Sentinel to increase the distribution of fair housing pamphlets and brochures in multiple languages.

2. **Housing Stock**-Milpitas has worked with housing developers to produce 1,013 affordable housing units with long-term affordability restrictions for very low, low and moderate-income households. Incentives such as waiver or subsidy of development impact fees, density bonus ordinance, use of redevelopment agency funds for grants and loans have been used to encourage developers to construct affordable housing.
3. **Land Use and Zoning**-To date, Milpitas has zoned over 800 acres of land from commercial, industrial for housing developments. Milpitas has expedited those applications proposing affordable housing developments during the review process. Milpitas has taken several land use and zoning actions to develop and encourage affordable housing including: 1) adoption of a density bonus ordinance to encourage multi-family developments. Milpitas will be amending its Zoning Ordinance to incorporate the new State Law at it pertains to the new density bonus regulations 2) expediting development applications for affordable housing projects, 3) providing CDBG grants to Service Providers for transitional and permanent housing for the

homeless, 4) negotiated with private developers on providing affordable housing units in their private development projects, 5) waiving and/or subsidizing development fees to off-set the cost to provide affordable housing units, 6) adoption of a rent control ordinance to maintain affordability for 572 mobilehome units, 7) provide informational seminars on affordable housing and 8) allocating redevelopment funds to assist in providing affordable housing units.

4. **Public Policies and Barriers to Affordability-** Milpitas General Plan Housing Element, 5-Year Consolidated Plan and Midtown Specific Plan includes specific policies, goals and objectives to support and encourage the development of affordable housing to low and moderate-income households. The City of Milpitas provides the following housing opportunities as it relates to public policy and barriers to affordability:

- **City of Milpitas Housing Rehabilitation Program-**Over the past four years, this program has provided approximately \$800,000 rehabilitation loans to very low and low-income homeowners.
- **Catholic Charities of Santa Clara County-CDBG** funding to provide housing services to single parent very low and low-income families at-risks of becoming homeless. Approximately 36 Milpitas residents/24 households benefit from these services.
- **Emergency Housing Consortium-CDBG** funds to provide shelter, housing opportunities and supportive services for homeless individuals, families and youths.
- **Economic and Social Opportunities-CDBG** funding to provide home accessibility and safety modifications for the disabled, handicap and seniors. Example of improvements includes the installation of wheelchair ramps, special stairs, grab bars, hand-held shower extensions and other safety improvements. Over the past four years over \$225,000 has been allocated to assist lower-income and disadvantaged people to attain self sufficiency.
- **Project Sentinel-**investigates housing discrimination and provides fair housing and tenant-landlords mediation services.
- **Transit Overlay District-**This zoning ordinance overlay district was established to encourage and support high-density residential development within ¼ mile of transit stations.
- **Section 8 Program-**Milpitas support, encourages and provides public information to residents that are looking to participate in the Housing Authority of Santa Clara County.
- **Disabled Accessibility-** Milpitas provides developers with an accessibility checklist when constructing new housing units.
- **Housing Affordability-**Milpitas will continue to provide financial assistance to housing developments which provide a certain percentage of their units affordable to low and moderate-income households.

5. **Advertising-** Milpitas will continue to monitor discrimination in local housing advertisement that may uses unfair models. Milpitas has worked with Project Sentinel to provides fair housing services which includes flyers, brochures (in different languages), educational materials to local newspapers, meeting with local landlords to explain tenant/landlord fair housing rights, etc. Milpitas will also continue to monitor other forms of discrimination relating to people with disabilities, familial status, families with children and senior citizens.



6. **Cases of Housing Discrimination**-Between January 1, 1998 to January 30, 2003, Project Sentinel conducted 55 investigations that were filed on the basis of housing discrimination in the City of Milpitas. The majority of cases involved discrimination on the basis of handicap/disability and ethnicity. The high percentage of cases filed on the basis of disability could be the result of greater public awareness of housing discrimination. Since both the FHAA and ADA are relatively new legislation, the public is learning about the new policies and gaining knowledge of where to file a complaint.

The majority of these cases investigated were counseled, meaning that no significant evidence of housing discrimination was found. Even though 45% of the cases investigated displayed compliance with the Fair Housing Law, the investigation of these cases remain significant, because it shows awareness about fair housing law. There were also a considerable proportion of cases that were referred to either DFEH, an attorney, or obtained some other form of referral. A referral is usually made when concrete evidence of housing discrimination is uncovered during the investigation. Out of the 11 referrals made, 6 were cases of housing discrimination on the basis of disability, and the remaining cases were filed on the basis of ethnicity. Two case settlements were obtained in the monetary amount of \$14,500 with required fair housing training.

7. **Awareness of Local Fair Housing Services**-Flyers and brochures on fair housing services are presently available at City Hall. Monitoring of housing service providers includes discussions on their outreach effort and promoting fair housing. Milpitas will update its City's website to provide additional information about fair housing law and provide links to websites of agencies that investigate fair housing discrimination.

The CDBG cities within Santa Clara County and the County have prepared a Countywide Fair Housing Report to address a variety of fair housing issues. The report will identify causes, impacts, alternative actions and recommendations. Also, the cities and County of Santa Clara has established a Countywide Fair Housing Task Force to address the recommendations in the report.

#### **Enhance Coordination between Public and Private Housing and Social Service Agencies**

Milpitas will continue to encourage housing-related organizations to work together, collaborate and share their expertise with one another, especially those agencies that provide and manage housing, and social services.

#### **Program Specific Requirements Funds Expected to be Available**

##### **CDBG**

2005-2006 Entitlement Grant	\$670,852
Program Income FY 2005-2006	<u>\$50,000 (*)</u>
Total:	\$720,852

\*Estimated Program Income from the Single Family Housing Rehabilitation Program

### **Evaluate and Reduce Lead-Based Paint Hazards**

The City of Milpitas will continue to enhance public sector efforts to inform private property-owners about the hazard of lead based paint. Risk assessment and hazard reduction can be more easily accomplished while performing other major repair work (i.e. rehabilitation repairs and improvements). The major obstacle to most mandated programs continues to be cost. Milpitas will continue to work with representatives from the city and county, housing organizations, public health agencies, children's advocacy groups, tenant and property owner's organizations and private physicians to address this matter. The continuing goals are to identify and inform property-owners of public and private resources available to reduce or abate lead based paint.

Because of the age of the Milpitas housing stock (approximately 60% of the units within Milpitas were built after 1970), Milpitas' housing stock is relatively new and contains very little lead base hazardous material. The City of Milpitas will continue to work with the County of Santa Clara Environmental Health Department, as additional funding becomes available, in the design and implementation of programs related to the detection, abatement, prevention and education of the incidence of lead based paint in the housing stock.

Presently, Milpitas along with several other CDBG cities in Santa Clara County are working with HUD to establish adequate capacity to comply with the Lead-Based Paint Rule (24 CFR Part 35). This task includes identifying trained, licensed, and certified personnel to conduct lead-based paint inspections, housing rehabilitation projects that will require inspections and funding sources. Milpitas has started to negotiate with local contractors and establish a process to address lead based paint in housing units. Milpitas has allocated \$60,000 of CDBG Housing Rehabilitation Administration to implement its Lead-Based Paint Program. To date, Milpitas has spend over **\$5,000 on eleven single-family** rehabilitation homes to conduct environmental testing for lead based paint prior to performing the required single-family rehabilitation home repairs and improvements.

Milpitas has also received from the County of Santa Clara a copy of their "hot zones" map which overlays three different indicators: (1) housing built before 1950, (2) poverty and (3) children under the age of six (based on census tracts) to identify areas where the risk of lead poisoning is the highest. Nearly all of the reported cases of lead poisoning in the county came from the "hot zones".

### **Reduce the Number of Poverty Level Families**

Milpitas will continue to support a variety of other support services used by low-income households to make ends meet. The main goal shall be to prevent very low-income persons, especially, those earning 30% or less of median income from becoming homeless. The long-term goal is to provide more affordable housing options and economic opportunities so this group is not

forced to pay most of their available income for housing with little left over for other needs (child care, transportation, food, health care, etc.) For fiscal year 2005-2006, Milpitas will continue to support agencies such as Second Harvest Food Bank, Milpitas Food Pantry, and Milpitas Nutritional Program (\$61,380) for senior citizens.

Economic and Social Opportunities will provide housing services to correct health and safety hazards, enhance accessibility for disabled people and improve energy efficiency to make housing cost more affordable for seniors on fixed-incomes.

Milpitas also obtains Quarterly Statistical Data of Public Families from the County of Santa Clara to monitor and track the number of Milpitas residents that are involved with CalWORKS, other social services and public assistance demographics to determine where the greatest need for CDBG funds. Several key categories such as CalWORKS and Medi-Cal caseloads have been slightly reduced from the past year for Milpitas residents. A total of 429 CalWORKS cases (or 3% of the total in Santa Clara County) are Milpitas households.

#### Develop Institutional Structure

Milpitas will continue to work with and support non-profit organizations, which provide programs and services to low and moderate-income households. Milpitas will also continue to work with private industries, in particular financial and development groups, to encourage the development of affordable housing opportunities in Milpitas.

### **PART III: STRATEGIC PLAN-FY 2005-2006**

Milpitas will continue to encourage local housing social service providers to pursue all available public and private funding to achieve the goals identified in the Consolidated Plan. It is anticipated that funding from a combination of federal, state and local resources will be used to pursue a majority of the identified strategies. Funding resources will be coordinated and leveraged whenever possible to maximize their potential. Milpitas plans to use available programs, services, and special initiative resources in a coordinated and integrated manner to achieve its affordable and supportive housing goals, as well as an expansion of support activities and programs related to assisting low-income families and individuals.

#### **Summary**

The following is a summary of Milpitas priorities and plans to be pursued over the next one year of the Consolidated Plan. It was derived from the overall analysis of needs, market and inventory conditions as described in the Consolidated Plan. These plans take into consideration the following factors revealed in the analysis of Milpitas Housing Affordability, Availability and Adequacy:

- In 2002, Milpitas Consolidated Plan and Housing Element has been approved by HUD and State of California, Department of Housing and Community Development (HCD)

which establishes comprehensive long-term policies, goals, and objectives to meet Milpitas housing needs and the City's (ABAG's) Regional Fair-Share allocation of 4,348 units. To date, Milpitas has met approximately 54% of its regional housing goals and objectives.

- The Area Median Income in Santa Clara was \$105,500 (2005).
- Milpitas average household size is 3.47 and average family size is 3.72, both continue to be the highest in Santa Clara County (2002 Census).
- City of Milpitas Percentage of Total Population in Poverty was 5% (655 Households-2002).
- City of Milpitas has approved and/or constructed 1,013 affordable below market rate housing units with long-term affordability restriction agreements.
- In 1992, City of Milpitas adopted a Rent Control Ordinance for Mobilehome Parks in which governs 572 units. Seventy percent (70%) of Milpitas mobilehome park residents are senior citizens.
- Median price home in Santa Clara County was \$600,000 up 15.4% increase from \$507,600 in 2003.
- Milpitas greatest needs for affordable housing is Renters with income levels between 31%-50% of the area median income, Renters with large families (5 persons or more), Persons with Special Needs (disabled, homeless, seniors, female-headed households HIV/AIDS and drug and alcohol addictions)
- The number of renters and specifically senior citizen low-income households that pays more than 30% of their income for rent. A significant number of senior's pay more than 35% of their income for housing
- Milpitas has rezoned approximately 1,000 acres of land through its Midtown Specific Plan Area to, accommodate approximately 5,000 units, to meet its regional fair share of housing (4,348 units)
- Milpitas has 17,122 occupied housing units (11,953 owner-occupied and 5,179 renter-occupied) (2000 Census)
- Milpitas housing vacancy rate was 1.3 % (232 units) as identified in the 2000 Census. The homeownership rate was 0.4% in comparison to 2.1% for rental. (2000 Census)

Milpitas must direct its Federal, State and local resources to housing programs and activities that directly benefit very low and low-income households. In-fill development and accessory units will be encouraged. More attention will be directed to the needs of extremely low-income individuals and households. Milpitas will continue to explore innovative resources to aid in development of affordable housing and support services to benefit lower income households.

### **Priority Analysis and Strategy Development**

This section reviews the fiscal year 2005-2006 Milpitas plans and priorities to be pursued over the next year and how they relate to the Consolidated Plan (July 1, 2002-June 30, 2007), in addressing the needs identified in the Housing and Homeless Needs Assessment. Milpitas Consolidated Plan has been sent to HUD in June 2002. In December 2002, the Housing Element was reviewed by

State of California, Department of HCD and was found to be in full compliance with state housing laws.

The Consolidated Plan Priority Needs Summary rates the Milpitas priorities. Those activities not anticipated to be a priority would be provided no assistance. The rationale behind the general priorities established for allocating Federal, State and local resources within the City is based upon review of Milpitas needs which shows that extremely low income renters, senior citizens and other special needs groups have the most difficulty finding affordable housing, employment, and other support services.

The Consolidated Plan Priority Needs Summary shows the "high" priority will be given to providing assistance to very low and low-income households and to homeless individuals and families and other persons of special needs, as well as activities aimed at preventing homelessness.

A "Medium" Priority is given to assisting low-income households in a wide variety of housing and support services.

A "Low" Priority is given to those groups currently small in number or least in need of assistance. However, should additional funding become available, the City will implement programs and activities as appropriate.

**Strategy 1: Continue to provide funding to non-profit agencies and organizations, which serve the very low and low-income Milpitas residents and the homeless**

Milpitas will continue to provide funding to those non-profit agencies and organizations, which provide housing and other support services to very low and low-income households. Agencies and organizations such as Asian-American Recovery Services, Catholic Charities, Emergency Housing Consortium, India Community Center, Milpitas Food Pantry, and Second Harvest Food Bank, which are funded through the City of Milpitas Community Development Block Grant Program will be encouraged to provide services to low-income households in Milpitas, especially, those households with special needs for affordable housing and services.

Fiscal Year 2003-2004 included funding for the Emergency Housing Consortium will be constructing-Shelter for Homeless and Runaway Youths. The project consist of relocation and renovation of a historic home for the program service area, 22 spaces for underground parking, 10 emergency beds, a full service day center, classrooms, 12 beds of transitional housing and 20 beds for permanent affordable housing. It is anticipated that this facility will serve 500 youths annually.

**Strategy 2: Rehabilitation of substandard units will be encouraged and financial assistance will be provided whenever possible**

The Milpitas Housing Rehabilitation Loan Program is funded by CDBG. The program will continue to assist low-income households.

Milpitas is exploring apartment rehabilitation and has identified several multi-family projects, in need of improvements and repairs. Milpitas will explore other types of funding sources (i.e. Home, Section 108, etc.) to finance the apartment rehabilitation program. Milpitas' Code Enforcement Section and Building Division will continue to abate substandard housing conditions in affected units. The Code Enforcement Section will continue to respond to citizen complaints regarding housing code problems and Project Sentinel will continue to provide mediation and negotiate tenant and landlord disagreements.

### **Strategy 3: Conservation of Existing Affordable Housing Stock**

Milpitas will continue to encourage the conservation of the rental housing stock because rental units are the most affordable housing for lower income households. Milpitas will assist local non-profits with regulatory and technical issues as well as to help identify potential funding resources.

The Santa Clara County Housing Authority (SCCHA) administers the Section 8 Program. Milpitas will continue to work with the Housing Authority to maintain the existing Section 8 subsidy levels and to encourage additional subsidies for Milpitas residents whenever possible. As previously mentioned, Milpitas is exploring the development of an apartment rehabilitation program.

A total of 648 Milpitas residents have vouchers and are living in Section 8 units. Another 96 residents are on the waiting lists.

Milpitas will maintain its existing Mobilehome Rent Control Ordinance to ensure the continued affordability to the 572-mobilehome units. Approximately 70% of the tenants at the mobilehome parks are low-income senior citizens. Milpitas will also assist, as feasible, a local non-profit or tenant organization in the buyout or conversion to tenant ownership if such a proposal is presented.

Milpitas Neighborhood Beautification Ordinance (NBO) has also established program guidelines and award programs for maintaining and improving the general housing stock in individual neighborhoods.

### **Strategy 4: Participation by the Private Sector in Development of Affordable Housing**

Through alternative financing programs in the public and private sectors, whenever possible, Milpitas will encourage developers (non-profit and for-profit) to leverage their funding to the furthest extent possible. Several non-profit and for-profit developers have expressed interest in working with the City to develop a Senior Housing Project. Milpitas has provided \$500,000 in funding for the Santa Clara County Housing Trust Fund to raise \$20 million (with the goal to leverage this funding to \$200 million) to assist 5,000 families in affordable housing. This allocation would provide approximately 3,000 affordable rental apartments, support 800 first-time homebuyers with down payment assistance, and serve more than 1,000 homeless individuals and families through housing and support services. A large portion of the funding has been provided from several major high-tech corporations in Silicon Valley such as Intel, Applied Materials, and Cisco Systems.

To date, twenty five (25) Milpitas First-time Homebuyers residents have received very low interest rate loans to purchase a home within Milpitas through the Housing Trust Fund. Milpitas has also provided financial assistance and other incentives (density bonus ordinance, waiver of development fees, etc.) to private developers to encourage the construction of affordable housing projects.

To date, City of Milpitas anticipates approximately 1,500 new housing units to be built within the next 2-3 years, in which it is estimated that 300 units (20%) will be affordable to low and moderate-income households. Private sector housing developers have initiated these proposed residential development projects.

### **Housing Bond Advisory Committee**

Milpitas participates in the County of Santa Clara Housing Bond Advisory Committee which established a permanent funding pool for affordable housing projects within Santa Clara County.

### **County of Santa Clara-Office of Affordable Housing**

County of Santa Clara has established an Office of Affordable Housing. This agency will be working with the local jurisdictions to address the affordable housing needs countywide. The City of Milpitas will be an active participant in the Office of Affordable Housing.

### **Strategy 5: Provision of Equal Housing Opportunities**

Milpitas will continue to provide financial support to programs that provide fair housing and counseling services to Milpitas residents including "Project Sentinel" and other of similar programs. Milpitas has prepared and continues to implement its Analysis to Impediments to Fair Housing Report, which identifies potential barriers to obtaining fair housing. The Cities within Santa Clara County and the County have prepared a countywide Supportive Housing Initiative Report to assist in addressing several issues including constraints to affordable housing and removing housing barriers.

### **Strategy 6: Other Processes and Procedures to be reviewed to Prohibit or Negatively Impact Affordable Housing Opportunities**

#### **In-Fill Development**

Milpitas will continue to review in-fill development sites to determine their appropriateness for multi-family developments. However, the amount of land available for in-fill development has

been reduced over the number of years to accommodate various types of development, including affordable housing projects. The Midtown Specific Plan has assisted on developing in-fill

development parcels of land that can accommodate future housing developments.

### **Provision of Sufficient Land Zoned for Multi-Family Units**

Over the past several years, Milpitas has identified approximately 800 acres of land that has been rezoned for housing sites. Milpitas is presently updating and revising its General Plan Housing Element as required by State of California Housing Element Law. The Housing Element will identify appropriate housing sites to provide general plan amendments and underline zoning changes to increase the density on parcels of land to accommodate future high-density multi-family developments. In December 2002, State of California, Department of Housing and Community Development approved the Milpitas Housing Element. Also, Milpitas Midtown Specific Plan proposes land use alternatives to 1,000 acres of land, which would accommodate a variety of housing types in the range from approximately 5,000 housing units.

### **Density Bonus Ordinance**

Milpitas will continue to implement Density Bonus Ordinance allows a developer to obtain concessions and incentives (financial and reduction of development standards) for developing very low, low income, and senior citizens housing projects. The units must remain affordable for at least thirty 30 years and are guaranteed through deed restrictions. Milpitas has granted financial concessions in the form of reduction in park, building and plan checking fees. Milpitas has also granted reductions in development standards (required parking, setbacks, park dedication, etc.) to accommodate affordable housing developments.

Milpitas will be amending its Zoning Ordinance in the next few months to incorporate the new State Density Bonus provisions with allow housing developers flexibility in providing affordable housing units.

### **In Lieu Housing Impact Fee Ordinance**

Currently, the City of Milpitas will be considering the adoption of an In-Lieu Housing Impact Fee Ordinance with the goals of providing 20% of each residential development to be affordable to various lower income levels. A Housing Trust Fund will also be established to allow smaller residential developers the opportunity to provide affordable housing units or pay the in-lieu fee, if it is determined that they are unable to provide the affordable units.

### **Waiver of Development Fees**

The Milpitas City Council will continue to consider requests to waive or subsidize City developer fees to assist in reducing the cost to developers that develop affordable housing units. These fees include building and fire permits, plan checking, parkland dedication, water and sewer, school impact and traffic mitigation fees controlled by the City, and cost of entitlement applications. The waiver of developer impact fee are tied the number of affordable housing units within each individual projects.



## **Homeless Facility Sites**

The City will continue review its current Zoning Ordinance to consider the provisions of emergency housing facilities and transitional housing facilities in specific zoning categories (i.e. residential, commercial, industrial).

## **Procedural Reforms**

Milpitas will continue to review its development procedures and recommend appropriate changes to facilitate the construction of affordable housing units. All internal governmental constraints to expedite approval of affordable housing projects will be reviewed and addressed in a timely manner.

## **Modification to Development Standards**

Milpitas will continue to review its development standards and recommend modifications to development standards, which pose an unnecessary impediment to the construction of affordable housing units. Development standards have been reduced on several affordable housing projects to limit the unnecessary burden or financial costs to support the project.

## **Institutional Structure**

Milpitas will continue to implement financing affordable housing and supportive housing strategies through the Building, Planning, and Neighborhood Services Divisions. The development process has been reviewed to become streamlined to expedite and promote "fast-tracking" of affordable housing projects.

Milpitas will continue to work with other cities and the County of Santa Clara to address the issues of homelessness and other regional issues. Several collaborative efforts involved all of the cities and the County of Santa Clara such as the Second Harvest Food Bank and Catholic Charities. Milpitas has participated (data and funding) in the Countywide Homeless Survey. The majority of housing strategies will be accomplished by supporting non-profit organizations providing programs and services to low and very low-income households. Milpitas will also work with private for-profit industry, in particular financial and development groups, to encourage the development and affordable housing opportunities in the City.

## **Overcoming Gaps**

There are a number of gaps in program and service delivery. There is a need to improve coordination of services on a Citywide and Countywide basis and increase funding available to provide adequate services. The CDBG entitlement cities and County of Santa Clara staff continue meeting to discuss data, resources and other ways to coordinate requests for information to both the public and private countywide agencies. These meetings have been beneficial to help better

understand the County and the non-profit social service structure. HUD also continues to meet with this group of cities and the County to clarify issues and assist in our planning process and efforts.

### **Monitoring of CDBG Subrecipients**

Milpitas continues to monitor the activities and programs of its Subrecipients that receive CDBG funding. Monitoring visits are scheduled in advance by staff to meet and address the following issues:

- Meet and discuss with Subrecipients their annual goals and objectives.
- Review their financial reports and supplemental documentation to insure that the CDBG funds are being used and allocated appropriately.
- Conduct CDBG Workshops to assist new CDBG Subrecipients on the program regulations, requirements, and other technical assistance.
- Identify areas of improvement to increase the level of communications between the City and its Subrecipients.
- Assist Subrecipients on obtaining additional funds and new resources to carryout programs and services.

It is anticipated that these actions stated above would be useful to further the overall goals and objectives identified throughout the Milpitas 2005-2006 Action Plan and the five-year Consolidated Plan.

### **Citizens Participation Process**

On April 19, 2005, City of Milpitas held a public hearing on the adoption of the Milpitas 2005-2006 Action Plan to obtain public comments prior to the final adoption and submittal to HUD. Public notices of the meeting were placed in the Milpitas Post for the required 30-day review period (March 3, to April 14, 2005) prior to the hearing date and letters were sent out to over 28 Public Service and Housing Providers to comment on the draft Action Plan. Attached is a list of Public Service and Housing Providers that received letters. No comments were received during the public review period.

The goals and objectives identified in the Draft and Final Action Plan are in full compliance with the local policies and procedures adopted in the Milpitas Citizen Participation Plan. The following dates and schedule allow maximum citizen participation in the review of the Milpitas 2005-2006 Action Plan:

#### **January 6, 2005 to January 20, 2005**

Advertise Request for Community Development Block Grant proposals in the Milpitas Post Newspapers. Notices were also included in the City's Cable TV and Web Site.

**January 3, to February 3, 2005**

CDBG application period opened for 30 days to receive applications.

**February 17, 2005**

Advertised for Community Advisory Committee (CAC) meeting to review CDBG application proposals (Meeting Date: March 2, 2005).

**March 3, to April 4, 2005**

Advertised for 30 days to provide the general public the opportunity to review and comment on the Draft Action Plan. Also, copies of the plan were sent to Service and Housing Providers and other interested parties. Copies were available in the Milpitas Public Library, City Hall Information Desk and Community Development public counter at City Hall.

**March 30, 2005**

Advertised for City Council review of CDBG Funding Proposals and adoption of Draft Action Plan (City Council Meeting: April 19, 2005)

**April 19, 2005**

Milpitas City Council holds public hearing to obtain input and comments on the Draft Action Plan and Adopts Final Action Plan.

**May 16, 2005**

Submit Final Action Plan to HUD

**August 8, 2004 to August 23, 2005**

Public Comments Period Starts for Consolidated Annual Performance and Evaluation Report (CAPER) for FY 2004-2005.

**September 30, 2005**

Submit Consolidated Annual Performance and Evaluation Report (CAPERS) to HUD.